
DEPARTMENT OF STATE REVENUE
Commissioner's Directive #33
November 2006

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SUBJECT: Changes in the Collection Process and Protest of Tax Liabilities

REFERENCE: [IC 6-3-4-8.1](#); [IC 6-8.1-5-1](#); IC6-8.1-8-2; [IC 6-8.1-8-3](#); [IC 6-8.1-8-15](#); and [IC 6-8.1-9-2](#)

I. INTRODUCTION

This directive is intended to provide guidance on legislative changes made by the Indiana General Assembly concerning the collection process and the protest of tax liabilities effective on Jan. 1, 2007.

II. COLLECTION PROCESS

[IC 6-3-4-8.1](#) has been amended to provide that if a withholding agent is not withholding, reporting or remitting the proper amount of tax, the Department may require the withholding agent to make periodic payments and file an informational return on a more frequent basis than the normal reporting periods.

[IC 6-8.1-8-2](#) has been amended to provide that when a demand notice for payment is issued by the Department to a taxpayer, the demand notice is required to list the statutory authority for the Department to levy against a person's property that is held by a financial institution. This section also provides that the county sheriff can no longer release a judgment arising from a tax warrant issued by the Department.

[IC 6-8.1-8-3](#) has been amended to provide that a sheriff is required to return a tax warrant after 120 days unless the taxpayer has established a payment plan with the sheriff and the sheriff's electronic database regarding tax warrants is compatible with the Department's database. If the sheriff's database is not compatible with the Department's database, the sheriff is not allowed to establish payment plans with the taxpayer.

[IC 6-8.1-8-15](#) has been added to provide that if an apparent owner of unclaimed property (as defined in [IC 32-34-1-21](#)) is subject to a tax warrant, the Department may levy on the unclaimed property by filing a claim with the attorney general.

III. PROTEST OF TAX LIABILITIES

[IC 6-8.1-5-1](#) has been amended to provide that a letter of finding includes a supplemental letter of finding. The amendment also provides that a taxpayer has 60 days to appeal to the tax court if the taxpayer disagrees with a letter of finding, and 60 days if the department issues a denial of the person's timely request for a rehearing on the letter of finding. Prior to Jan. 1, 2007 the taxpayer had 180 days to file an appeal with the tax court.

The amendment also provides that a taxpayer has 45 days to protest a proposed assessment issued by the Department. Prior to Jan. 1, 2007, the taxpayer had 60 days to protest the proposed assessment.

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Commissioner

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